

## **Information Paper**

### **Pay Adjustment for Non-teaching Staff in Aided Schools**

#### **PURPOSE**

This paper briefs Members on the current funding arrangement for the employment of administrative/clerical and janitor staff in aided schools and examines reported staff grievances arising from the downward adjustment to the Operating Expenses Block Grant (OEBG).

#### **BACKGROUND**

2. Aided schools receive a block grant, namely the Administration Grant (AG) or the Revised Administration Grant (RAG), for the hire of administrative/clerical staff and janitors and related services. The AG was first introduced in all aided secondary schools in 1973, and was later extended to aided primary and special schools as an option in 1993. The Revised Administration Grant (RAG) was implemented in 1999 in primary and special schools as a further option.

3. The AG allowed aided schools flexibility in determining the number of administrative, clerical and janitor staff to be employed and the terms of employment, including the salary level and the adjustment mechanism. The RAG allowed aided schools the same flexibility in respect of their janitor staff. Schools might also choose to procure services, instead of directly employing staff. They were allowed to keep a surplus up to the equivalence of three months' provision. As a quid pro quo to the increased flexibility of a block grant, schools do not enjoy the same security of financial provision as with a deficiency grant. The formulae for calculating the AG/RAG are detailed at Appendix 1.

4. Unlike administrative/clerical staff and janitors, there are strict requirements in the Code of Aid governing the establishment and qualifications of teaching staff and the salary scales. Salaries of teaching staff within the approved establishment of aided schools are funded from the Salaries Grant and are paid according to civil service salaries. Teachers' salaries are therefore adjusted in line with the civil service salary adjustment.

5. In September 2000, the AG/RAG and a number of non-salary recurrent grants were consolidated into the OEBG, which provides aided schools further flexibility in the use of resources by removing the constraints on transfer of funds among grants in the General Domain. It also helps to simplify the

administration by integrating the constituent grants, which were introduced at different times in the past and were adjusted using different indices. The OEBG will also be adjusted annually in accordance with the Composite Consumer Price Index (CCPI) movement. Furthermore, schools are allowed to accumulate a larger reserve equivalent to a maximum of 12 months' provision.

6. In planning for the introduction of the OEBG, we consulted the various school councils and representatives of teachers' organisations who sat on the Advisory Committee on School-based Management (ACSBM) and its sub-committee on school funding. The ACSBM also accepted the arrangement of adopting the CCPI movement as the basis for future adjustment to the OEBG.

### **OEBG RATES FOR 2000/01**

7. The OEBG for the 2000/01 school year was based on the rates of the constituent grants approved for the 1999/2000 school year, notwithstanding a 4% deflation between 1999 and 2000, as well as a lowering of the mid-point salaries of clerical staff following the review of starting salaries in 2000. The net result was that schools received significantly more funds in 2000/01 school year than if the OEBG had not been introduced (see [Appendix 2](#)).

### **OEBG RATES FOR 2001/02**

8. For the 2001/02 school year, the rates of the constituent grants (including those for the AG and the RAG) of the OEBG have been adjusted downwards by 1.1% to reflect the movement of the CCPI between June 2000 and June 2001. However, aided schools received broadly the same provision under the OEBG, as compared to the notional constituent grants had the OEBG not been introduced (see illustration at [Appendix 2](#)).

### **RELIEF MEASURE**

9. Government has, for the 2001/02 school year, made an exceptional one-off advance to aided schools to avoid any cashflow problem that might arise from the downward adjustment of the OEBG. An amount equivalent to the downward adjustment for the 2001/02 school year has been advanced to aided schools. In other words, the schools are receiving the same amount of AG/RAG for the 2001/02 school year as if there had not been any downward adjustment. The amount advanced will be recovered from the OEBG for the 2002/03 school year.

## **STAFF GRIEVANCES**

10. It was reported that some janitors and administrative/clerical staff in aided schools were aggrieved that they were not getting their salary adjustment for the 2001/02 school year. Some reports alleged that this was the result of the downward adjustment of the OEBG. The allegation is not founded.

11. As explained in paragraph 3 above, pay to staff under the AG/RAG has always been a matter between aided schools and their staff as bound by the employment contracts signed with staff. Irrespective of the adjustments to OEBG between school years, schools should honour their commitments to their staff according to the contracts in force. Thus, the Director of Education wrote to supervisors of aided schools on 2 November 2001, appealing to them to open a dialogue with the staff concerned with a view to coming up with an amicable solution which takes into account the financial position of the schools, the responsibility of the school sponsoring bodies/school management committees, the terms of employment and the contribution of the staff concerned.

## **WAY FORWARD**

12. In view of the differences among schools in the use of the OEBG, it is not possible to generalize. A school-based approach is therefore necessary. Although the Administration is not in a position to interfere with the terms of employment of these staff, in a spirit of partnership, we stand ready to assist if schools have any questions or serious difficulties.

**Formulae for  
Calculating Administration Grant/Revised Administration Grant**

**(A) Administration Grant for aided secondary schools**

Calculation of administrative/clerical staff grant element and janitor staff grant element in the Administration Grant per class is based on the 'notional posts' in a standard secondary grammar/technical school with 29 classes as follows –

*(a) Administrative/clerical Staff*

<b>Post</b>	<b>No.</b>	<b>Grant pitched at mid-point@</b>	<b>Grant pitched at maximum point@</b>
Secretary	1	Yes	--
Clerical Officer	1	Yes	--
Assistant Clerical Officer	1	Yes	--
Typist	1	Yes	--

*(b) Janitor Staff \**

<b>Post</b>	<b>No.</b>	<b>Grant pitched at mid-point@</b>	<b>Grant pitched at maximum point@</b>
Office Assistant	1	--	Yes
Workshop Attendant	3	--	Yes
Workman II	9	--	Yes

\* The janitor staff grant element payable to a secondary school may be calculated individually on an operating class basis or on a classroom equivalent basis according to the janitor staff requirement for the school in relation to the number of classrooms, special rooms, laboratories and workshops.

**(B) Administration Grant/Revised Administration Grant for aided primary and special schools#**

*(a) Administration Grant*

No. of clerical staff per approved establishment for the current school year x mid-point salary of the clerical staff @ + no. of janitor staff per approved establishment for the current school year x maximum point salary of the janitor staff @

*(b) Revised Administration Grant*

No. of janitor staff per approved establishment for the current school year x maximum point salary of the janitor staff @ (Note : schools opting the Revised Administration Grant pay the actual salaries of their clericals through the Salaries Grant)

Note

@ Mid-points/max points as at September 1999

# Aided primary and special schools have been required to opt for either the Administration Grant or the Revised Administration Grant. The option once exercised in favour of the Administration Grant is final and irrevocable.

**Illustration of Provision of OEBG General Domain**

<u>Typical Schools</u>	<u>Under existing OEBG mode</u>	<u>If no OEBG was introduced</u>	<u><i>Gain/(loss)</i> by school</u>
30-class secondary school			
2000/01 school year	\$4,115,000	\$4,008,000	\$107,000
2001/02 school year	\$4,070,000	\$4,072,000	(\$2,000)
48-class bi-sessional primary school (i.e. 24 am classes + 24 pm classes) opting RAG			
2000/01 school year	\$2,653,000	\$2,606,000	\$47,000
2001/02 school year	\$2,624,000	\$2,628,000	(\$4,000)
48-class bi-sessional primary school (i.e. 24 am classes + 24 pm classes) opting AG			
2000/01 school year	\$3,301,000	\$3,233,000	\$68,000
2001/02 school year	\$3,265,000	\$3,270,000	(\$5,000)